

NEWS RELEASE

November 6, 2013

**BLACK DIAMOND GROUP LIMITED REPORTS RESULTS FOR THE THIRD QUARTER  
ENDED SEPTEMBER 30, 2013**

**Calgary, Alberta** - (TSX: BDI) Black Diamond Group Limited ("Black Diamond" or the "Company") is pleased to announce its financial and operational results for the three and nine months ended September 30, 2013.

**THIRD QUARTER 2013 CONSOLIDATED HIGHLIGHTS**

Black Diamond realized increases in revenue generation for the three months ended September 30, 2013 ("Period") compared to the three months ended September 30, 2012 ("Comparative Period"). Revenue generation in the Period was \$78.1 million compared to \$74.9 million in the Comparative Period, or a 4% increase. EBITDA of \$33.1 million in the Period increased from \$31.2 million in the Comparative Period, or a 6% increase.

The Company realized a significant revenue increase from the rental platform of the business. Rental revenue generated for the Period was \$37.9 million, 61% higher than the Comparative Period, due in part, to a strong capital expenditure program. Non-rental revenue was \$25.4 million for the Period, 19% lower than the Comparative Period. Lodging revenue was \$14.8 million for the Period, or 25% lower than the Comparative Period.

The decrease in non-rental revenue and lodging revenue relative to the Comparative Period was due to completion of several large projects in Q2 and modest field level delays of newly contracted projects. This has caused non-rental revenue relating to ancillary services and lodging revenue relating to operations from these projects to decrease.

**THIRD QUARTER 2013 BUSINESS UNIT HIGHLIGHTS****STRUCTURES BUSINESS UNIT**

The Structures Business Unit ended the Period with 2,975 workforce accommodation units in the rental fleet which averaged 85% utilization for the Period. The workforce accommodation bedcount reached 11,932 during the Period and the space rentals units reached 3,246 with an 80% average utilization during the Period.

The Business Unit generated \$51.8 million in revenue during the Period compared to \$45.6 million in the Comparative Period of 2012. Rental revenue increased significantly from \$18.3 million in the Comparative Period to \$29.9 million in the Period. Non-rental revenue decreased to \$21.9 million in the Period from \$27.3 million in the Comparative Period.

EBITDA increased to \$29.5 million in the Period from \$21.9 million in the Comparative Period.

**LOGISTICS BUSINESS UNIT**

The Logistics Business Unit ended the Period with a managed bedcount of 3,035. The total bedcount for the business unit increased from prior year, however occupancy decreased in the Period due to project timing. The Business Unit generated \$14.8 million in lodging revenue in the Period compared to \$19.8 million in the Comparative Period. The decrease was in line with management's expectations with one substantial full service camp winding down in Q2 2013.

EBITDA decreased from \$7.8 million in the Comparative Period to \$4.3 million in the Period.

## **ENERGY SERVICES BUSINESS UNIT**

The Energy Services Business Unit ended the Period with 288 drilling accommodation units in the fleet which averaged 65% utilization, a drilling accommodation bedcount of 890 and 2,330 units in the surface rental fleet which averaged 32% utilization during the Period. The Business Unit generated \$6.8 million in revenue in the Period compared to \$9.5 million in the Comparative Period, largely due to lower market pricing and utilization of assets.

EBITDA decreased from \$3.6 million in the Comparative Period to \$2.5 million in Period.

## **INTERNATIONAL BUSINESS UNIT**

The International Business Unit generated total revenue of \$4.7 million in the Period including rental revenue of \$3.0 million and non-rental revenue of \$1.7 million. The International fleet rental revenue in the Period was consistent with prior quarters on a local currency basis. The Business Unit ended the Period with 1,124 workforce accommodation and space rental units in the fleet which averaged 81% utilization during the Period. The workforce accommodation bedcount for the business unit was 1,610 at the end of the Period.

EBITDA for the Period was \$2.1 million. There is no Comparative Period figure as this is a new operating unit.

## **DIVIDENDS**

Black Diamond paid dividends of \$0.07 per share per month during the Period, resulting in a payout ratio of 28% compared to 24% for the Comparative Period during which the Company paid \$0.06 per share per month.

## **OUTLOOK**

Financial results for the third quarter of 2013 were in-line with management's expectations - moderately stronger than both the second quarter of 2013 and third quarter of 2012. As expected, the continued significant investment in the rental fleets has contributed to a 61% increase in rental revenue from the Comparative Period and an increase of 52% relative to the nine month period ended September 30, 2012.

Management's outlook is positive for the remainder of 2013 and 2014, due to the performance and continued growth of the rental platform, demand for Black Diamond's products and services, a robust sales platform and recently announced significant contract awards. Considerable increases in revenue and EBITDA are anticipated in both the Structures and Logistics Business Units as several large-scale, longer-term contracts come on-line to service resource development in western Canada. Within the Energy Services Business Unit, management expects increasing revenue and earnings for Q4 2013 and Q1 2014 due to the higher activity winter drilling season. Management expects the Australian financial results to be stable for the last quarter of 2013 as the business continues to establish itself by solidifying the support team and building both the brand and operations for growth.

To date, Black Diamond has committed substantially all of its previously announced \$117 million 2013 capital budget, with spending focused primarily on remote, large scale infrastructure and resource related projects. The Company forecasts 2014 capital expenditures of approximately \$100 million, which will be funded entirely out of operating cash flow. The Company's balance sheet continues to have significant capacity to meet current and anticipated market demand for fleet additions as well as potential strategic opportunities.

**SUMMARY FINANCIAL STATEMENTS**

The following is a summary of the Company's unaudited condensed consolidated interim statement of financial position as at September 30, 2013 and December 31, 2012 and the Company's unaudited condensed consolidated interim statements of net income and cash flows for the three month periods ended September 30, 2013 and 2012. These summary statements should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements including the accompanying notes for the three and nine month periods ended September 30, 2013 and 2012 as filed on SEDAR.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)**  
 as at September 30, 2013 and December 31, 2012

(Expressed in thousands)	2013	2012
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	16,616	2,697
Trade and accrued receivables	83,992	76,578
Prepaid expenses and other current assets	2,905	7,598
Income taxes receivable	2,004	
	105,517	86,873
<b>Non-Current</b>		
Long-term receivables	1,023	2,708
Investment	1,792	—
Property and equipment	468,919	423,281
Intangible assets	12,528	9,757
Goodwill	39,744	34,577
	629,523	557,196
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	27,300	39,486
Due to related parties	384	1,174
Dividends payable	2,942	2,472
Income taxes payable	—	8,524
	30,626	51,656
<b>Non-Current</b>		
Long-term debt	158,069	96,359
Risk management liability	909	1,324
Asset retirement obligations	3,042	1,955
Deferred income taxes	52,495	44,821
	245,141	196,115
<b>Shareholders' equity</b>		
Share capital	318,915	309,140
Contributed surplus	5,123	4,431
Non-controlling interest	6,431	5,274
Accumulated other comprehensive loss	(5,685)	(3,285)
Retained earnings	59,598	45,521
	384,382	361,081
	629,523	557,196

**CONSOLIDATED STATEMENT OF NET INCOME (unaudited)**  
 for the three month periods ended September 30,

(Expressed in thousands, except per share amounts)	2013	2012
	\$	\$
<b>Revenue</b>	78,144	74,901
<b>Direct costs</b>	33,450	35,497
<b>Gross Profit</b>	44,694	39,404
<b>Expenses</b>		
Administrative expenses	12,600	9,161
Depreciation of property and equipment	12,636	9,412
Amortization of intangibles	344	219
	25,580	18,792
<b>Operating profit</b>	19,114	20,612
Finance costs	2,096	1,441
<b>Income before income taxes</b>	17,018	19,171
<b>Income tax</b>		
Current	1,536	2,377
Deferred	2,894	2,230
	4,430	4,607
<b>Net income before non-controlling interest</b>	12,588	14,564
Net income attributable to non-controlling interest	780	1,582
<b>Net income</b>	11,808	12,982
<b>Net income per share</b>		
Basic	0.28	0.32
Diluted	0.28	0.32

**CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)**  
 for the three month periods ended September 30,

(Expressed in thousands)	2013	2012
	\$	\$
<b>Operating activities</b>		
Net Income	11,808	12,982
Add (deduct) non-cash items:		
Depreciation of property and equipment	12,636	9,412
Amortization of intangible assets	344	219
Net income/(loss) attributable to non-controlling	780	1,582
Unrealized foreign exchange loss/(gain)	(34)	15
Finance costs	2,052	1,426
Deferred income taxes	2,894	2,230
Share-based compensation expense	956	967
Book value of used fleet sales in operating activities	6,179	1,968
	37,615	30,801
Change in long-term receivables	(407)	(4,504)
Change in non-cash working capital related to operating activities	(16,589)	(1,046)
<b>Net cash from operating activities</b>	<b>20,619</b>	<b>25,251</b>
<b>Investing activities</b>		
Purchase of property and equipment	(17,708)	(49,407)
Change in non-cash working capital related to investing activities	(4,506)	(1,993)
<b>Net cash from investing activities</b>	<b>(22,214)</b>	<b>(51,400)</b>
<b>Financing activities</b>		
Proceeds from long-term debt	40,000	—
Repayment of long-term debt	(25,000)	—
Net draw (repayment) on operating facility	(1,307)	(4,239)
Interest paid in the period	(2,017)	(1,365)
Dividend payments	(8,818)	(7,230)
Distribution to non-controlling interest	(277)	—
Sale of shares in trust	—	—
Share options exercised	632	1,072
Change in non-cash working capital related to financing activities	397	(555)
<b>Net cash from financing activities</b>	<b>3,610</b>	<b>45,148</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>2,015</b>	<b>18,999</b>
Cash and cash equivalents, beginning of period	14,757	—
Effect of foreign currency rate changes on cash and cash equivalents	(156)	(10)
<b>Cash and cash equivalents, end of period</b>	<b>16,616</b>	<b>18,989</b>



### **Additional Information**

A copy of the Company's unaudited condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2013 and 2012 and related management's discussion and analysis have been filed with the Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

### **Conference Call**

Black Diamond will host a conference call for analysts, investors and interested parties to discuss its third quarter financial and operational results at 4:30 p.m. MST on November 6, 2013. Trevor Haynes, President and Chief Executive Officer, and Marshall McRae, Interim Executive Vice President and Chief Financial Officer, will be in attendance. The call can be accessed by calling 416-695-7806 or toll free 888-789-9572 (Participant pass code **2590616**) prior to the scheduled start time. Digital playback of the conference call will be available on the Company's website.

### **About Black Diamond**

Founded in 2003, Black Diamond Group provides remote workforce accommodations, modular space solutions and oilfield products and services in Canada, the United States and Australia. With its corporate head office located in Calgary, Alberta, Black Diamond provides its products and services to a full spectrum of industries including oil, natural gas, mining, power, construction, engineering, military, government and education.

Through its subsidiaries and its approximate 50% equity participation in certain Aboriginal limited partnerships, Black Diamond operates four complementary business units comprised of Black Diamond Structures, Black Diamond Logistics, Black Diamond Energy Services and Black Diamond International.

Black Diamond Structures rents and sells remote workforce housing and modular workspace solutions and provides associated services; Black Diamond Logistics provides turnkey lodging services, remote facility management and supply chain solutions; Black Diamond Energy Services rents and sells a complement of oilfield equipment and services; and Black Diamond International rents and sells remote workforce housing and modular workspace solutions and provides associated services outside of North America.

Black Diamond operates its four complementary business units in 17 strategic locations across Canada, the United States and Australia.

### **For more information please contact:**

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## Reader Advisory

### **Forward-Looking Statements**

Certain information in this news release contains forward-looking statements including management's assessment of Black Diamond's future operations, business prospects and opportunities and management's future expectations regarding the financial performance of the Company and its business units, forecast 2014 capital expenditures of the Company and how such expenditures will be funded set out under the heading "Outlook". With respect to the forward-looking statements contained in this news release, Black Diamond has made assumptions, regarding among other things: that Black Diamond will continue to conduct its operations in a manner consistent with past operations, that counterparties to contracts will perform the contracts as written and that there will be no unforeseen material delays in contracted projects. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Black Diamond's control including, without limitation, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of exchange rates, environmental risks, industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form for the year ended December 31, 2012 and other reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) and at Black Diamond's website ([www.blackdiamondgroup.com](http://www.blackdiamondgroup.com)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Black Diamond does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

### **Non-IFRS Measures**

In this news release, the following terms have been referenced: EBITDA (earnings before interest, taxation, depreciation and amortization), gross profit and payout ratio. Readers are cautioned that these measures are not defined under International Financial Reporting Standards ("IFRS"). Readers are cautioned that these non-IFRS measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of the Company's performance or cash flows, a measure of liquidity or as a measure of actual return on the common shares of the Company. These Non-IFRS measures should only be used in conjunction with the consolidated financial statements of the Company. A reconciliation between these measures and measures defined under IFRS is included in management's discussion and analysis for the three and nine month periods ended September 30, 2013 and 2012 filed on SEDAR.